

**Remarks As Prepared
By Under Secretary of State for Political Affairs R. Nicholas Burns
On The U.S. and India
For the House International Relations Committee**

September 8, 2005

Mr. Chairman and members of the Committee, thank you for inviting my colleague, Under Secretary for Arms Control and International Security Robert Joseph, and me to discuss the recent visit of Indian Prime Minister Manmohan Singh to Washington and to describe the implications of this historic visit for bringing the United States and India closer together in strategic partnership.

President Bush has made a fundamental judgment that our relations with India will be central to the future success of American foreign policy in South Asia and around the world. The President said that “after years of estrangement, India and the United States together surrendered to reality. They recognized an unavoidable fact -- they are destined to have a qualitatively different and better relationship than in the past.” I believe this is a view many of you share.

Of course, our recent engagement with India, and with South Asia more broadly, was transformed by the events of 9/11. That terrible attack on the United States opened the door to a new relationship with Afghanistan and Pakistan, an engagement sustained by our commitment to building peaceful, prosperous democratic societies that no longer offer fertile ground to terrorists and their extreme ideologies.

Our desire to transform relations with India, however, was founded upon a strategic vision that transcends even today’s most pressing security concerns. India is a rising global power. Within the first quarter of this century, it is likely to be numbered among the world’s five largest economies. It will soon be the world’s most populous nation, and it has a demographic structure that bequeaths it a huge, skilled, and youthful workforce. It will continue to possess large and ever more sophisticated military forces that, just like our own, remain strongly committed to the principle of civilian control. And, above all else, India will thrive as a vibrant multi-ethnic, multi-religious, and multi-lingual democracy characterized by individual freedom, rule of law, and a constitutional government that owes its power to free and fair elections. As the President phrased it succinctly, “This century will see democratic India’s arrival as a force in the world.” And, as such, it is in our national interest to develop a strong, forward looking relationship with the world’s largest democracy as the political and economic focus of the global system shifts inevitably eastward to Asia.

A strong democratic India is an important partner for the United States. We anticipate that India will play an increasingly important leadership role in 21st century Asia, working with us to promote democracy, economic growth, stability and peace in that vital region. By cooperating with India now, we accelerate the arrival of the benefits that India’s rise brings to the region and the world. By fostering ever-closer bilateral ties, we also eliminate any possibility

that our two nations might overlook their natural affinities and enter into another period of unproductive estrangement, as was so often the case in the past half century.

Today, for the first time since bilateral relations were established in 1947, the United States and India are bound together by a strong congruence of interests, values, and a large and successful Indian-American community. Consequently we find an especially receptive partner in New Delhi, one no longer bound by Cold War politics or dogma. The Indian Government has demonstrated its firm desire to enhance our bilateral relationship. The United States now has a window of opportunity to seize the initiative with India, to build bonds and habits of cooperation that will stand the test of time. It is incumbent upon us, therefore, to undertake ambitious actions that correct our mutual history with India of missed opportunities and advance our common interests in the century ahead. We seek to work with India to win the global War on Terrorism, prevent the spread of weapons of mass destruction, enhance peace and stability in Asia, protect trade routes and sea lines of communication, and advance the spread of democracy. India and the United States now find ourselves on the same side on all of these critical strategic objectives. Our challenge, then, is to translate our converging interests into shared goals and compatible strategies designed to achieve those aims. In this context, the wide range of initiatives agreed to by President Bush and Prime Minister Manmohan Singh this July, including our agreement to promote civilian nuclear energy cooperation, represents a unique chance to build trust between the United States and India because of the resonance all these programs have for both countries.

Our efforts to advance this bold agenda did not begin this summer. During the President's first term, the United States and India reinvigorated an Economic Dialogue, restarted the Defense Policy Group, expanded joint military exercises, began the India-U.S. Global Issues Forum, launched the High Technology Cooperation Group (HTCG), and set in motion other initiatives designed to foster bilateral cooperation on a number of key issues. Drawing on activities begun early in the first term, President Bush and then Prime Minister Vajpayee announced the Next Steps in Strategic Partnership (NSSP): a major initiative to expand high technology, missile defense, space and civilian nuclear cooperation while strengthening our nonproliferation goals.

Prime Minister Singh's July 18 visit to Washington took the U.S.-India relationship to a new, higher plane. Not only did that visit provide an opportunity for President Bush and Prime Minister Singh to celebrate the achievements our new partnership has produced so far, it presented an opportunity for them to agree on a new framework for even closer cooperation in the years ahead. They recognized that the enhanced U.S.-India relationship can make an important contribution to global stability, democracy, prosperity, and peace.

Two of the major themes of the Prime Minister's visit to Washington were promoting democracy and fighting terrorism. As spelled out in the Joint Statement, the two leaders resolved to, "create an international environment that is conducive to democratic values, and to help strengthen democratic practices in societies seeking to become more open and pluralistic." They also resolved, "to combat terrorism relentlessly."

The Prime Minister's July visit coincided with the completion of the Next Steps in Strategic Partnership (NSSP) initiative that was launched eighteen months earlier. But we do not

see the completion of the NSSP, however noteworthy, as an end in itself. Instead, the President and Prime Minister underscored that the NSSP provides a basis for expanding bilateral activities and commerce in space, civil nuclear energy, and dual-use technology. Indeed, the U.S.-India Civil Nuclear Cooperation initiative announced during the visit would not have been possible without the foundation laid by the completion of the NSSP.

Much of the public attention paid to the visit focused on the civil nuclear energy agreement, but I would also like to draw the Committee's attention to the other initiatives that were agreed to by the two leaders. These initiatives are important in their own right and demonstrate that there has been a real transformation in the U.S.-India relationship. Not only have our bilateral ties never been better, but our overall relationship has never been broader and deeper, as these initiatives show.

Economy: One of the driving forces in the U.S.-India relationship has been its expanding economic component. A highlight of the Prime Minister's visit was the announcement that the United States and India were launching a CEO Forum, comprising 20 chief executive officers from some of the biggest, most dynamic U.S. and Indian firms involved in transforming our bilateral economic relationship. These CEOs represent a cross-section of industrial sectors, particularly those that have a stake in improving the commercial climate between our two countries. This forum will serve as a channel to provide senior-level private sector input into discussions at the Economic Dialogue. Their input will help both countries make progress on key issues that will enhance economic growth and job creation and promote bilateral trade and investment.

We see the creation of the CEO Forum as part of a more general commitment to enhancing the U.S.-India Economic Dialogue. As the Indian economy grows and becomes increasingly interconnected with the world economy, our bilateral economic relationship has expanded beyond trade into new and increasingly complex areas that are having a profound impact on the economic outlook in the 21st century.

To fully reflect this more complex relationship, the re-vitalized Economic Dialogue has four tracks: the Trade Policy Forum, the Financial and Economic Forum, the Environment Dialogue and the Commercial Dialogue. Each of these tracks is led by the respective U.S. agency and Indian ministry. In addition, the Economic Dialogue has two cross-cutting forums focused on biotechnology and information technology. Overall these forums aim to expand economic opportunities and to overcome longstanding issues that have prevented the development of a deep and dynamic economic relationship. As a corollary, the United States and India have both recognized the urgent need to modernize India's infrastructure as a prerequisite for the continued growth of the Indian economy. Continued progress in resolving outstanding issues and improving the investment climate will be important in attracting the private capital necessary to fund infrastructure investment. Sustaining high levels of economic growth is vital for India to meet its developmental goals and essential for providing the United States with more commercial opportunities.

Energy and the Environment: Another major initiative highlighted during the Prime Minister's visit was the U.S.-India Energy Dialogue, designed to promote increased trade and

investment in the energy sector. This dialogue, led on our side by Secretary of Energy Bodman, will promote these goals through working groups that will deal with oil and natural gas, electric power, coal and clean coal technology, energy efficiency, new and renewable energy technologies, and civil nuclear energy. It is our hope that these efforts in their totality will not only produce the power that India needs, but help safeguard the environment by encouraging cleaner, more efficient, affordable, and diversified energy technologies.

Let me quickly mention several other important initiatives agreed to during the visit.

Democracy: Both leaders announced the start of the U.S.-India Global Democracy Initiative to help countries making the often difficult transition to democracy. The Initiative will draw on U.S. and Indian democratic traditions and institutions to provide assistance to help build democratic institutions and strengthen foundations of civil society. As part of this initiative, India and the U.S. agreed to provide contributions to the new U.N. Democracy Fund, charged with building democratic institutions around the world, which will be launched at the margins of the upcoming U.N. General Assembly.

HIV/AIDS: The President and Prime Minister also formed the U.S.-India HIV/AIDS partnership, an effort to encourage the private sector to undertake greater efforts in the prevention, care, and treatment of people living with HIV/AIDS.

Disaster Response: During the tsunami disaster that struck many countries in South and Southeast Asia, the U.S. and India joined with Japan and Australia to form a Core Group that cooperated closely to coordinate the initial international response. The two leaders believe that effort provided a basis for future India-U.S. cooperation on disaster assistance, not just in the Indian Ocean region, but beyond, so they have launched the U.S.-India Disaster Response Initiative. In this sense, we are extremely grateful for India's quick commitment of \$5 million for the American victims of Hurricane Katrina.

Science and Technology: In conjunction with the Prime Minister's visit, the U.S. and India agreed to sign a Science and Technology Framework Agreement. It will build on the U.S.-India High-Technology Cooperation Group (HTCG), to provide for joint research and training, and the establishment of public-private partnerships.

Space Cooperation: The two leaders also looked forward to increasing cooperation in space. To that end, the recently created U.S.-India Working Group on Civil Space Cooperation will build closer ties in space exploration, satellite navigation and launch.

Agricultural Alliance: President Bush and Prime Minister Singh also agreed to launch a U.S.-India Knowledge Initiative on Agriculture, something that will focus on promoting teaching, research, service and commercial linkages between our two countries, and especially our training institutions and universities.

Mr. Chairman and members of the committee, I hope I have made it clear that much was accomplished during the Prime Minister's July visit, and we have much to look forward to in the coming months and years. I know that President Bush very much looks forward to his trip to

India -- currently planned for early 2006 -- and the opportunity to strengthen further our partnership.

My colleague, Under Secretary Joseph, will discuss in detail the major U.S.-India initiative on civil nuclear energy cooperation, but I would like to make a few comments before closing, to put it in context.

This is a major Presidential initiative, one that seeks to bring about full civil nuclear energy cooperation between the United States and India. I had the privilege of negotiating this agreement with India on behalf of the President and the Secretary of State. I believe it is a good and sound agreement that will have the effect of progressively integrating India into the global nonproliferation order.

We sought this agreement because India's nuclear weapons program and its status outside the nonproliferation regime has proven to be a longstanding stumbling block to enhanced U.S.-India relations, as well as a problem for the global nonproliferation regimes. The initiative for civil nuclear cooperation announced by President Bush and Prime Minister Singh in July is intended to deepen the bilateral partnership, address India's energy needs, and advance international nonproliferation norms and practices.

Mr. Chairman, many do not realize that India is one of the few developing countries that possesses full competency over all aspects of the nuclear fuel cycle, and is in fact pursuing a variety of advanced nuclear technologies, yet it remains—as it has since 1967—outside the global regime. Although India has demonstrated a strong commitment to protecting fissile materials and nuclear technology more generally, it is in both Indian and American interests that New Delhi's isolation be brought to an end and that India be made part of a stable global nonproliferation order. The agreement between President Bush and Prime Minister Manmohan Singh does this in a fair and equitable way. It contemplates both countries taking serious steps toward achieving the goal of strengthening the international nonproliferation regime, while also meeting India's very real energy needs in a way that contributes to a clean global environment.

For our part, we are committed to working with the Congress to adjust U.S. laws and policies, working with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India, and consulting with our partners on Indian participation in the fusion energy International Thermonuclear Experimental Reactor (ITER) consortium and the Generation IV International Forum, the work of which relates to advanced nuclear energy systems. As you are aware, we already have begun briefing members and staff about this initiative. Our presence here with you today demonstrates our continuing interest in working with the Congress to see this process through. We are here not simply to explain this initiative, but because we welcome your ideas and counsel. I am sure we will have many more discussions on this important initiative.

This civil nuclear initiative is part of a transformation of the U.S.-Indian relationship that President Bush believes will strongly serve U.S. interests in furthering global stability, democracy, prosperity and peace. As a result of our civil nuclear cooperation with India, U.S. companies will be able to enter India's lucrative and growing energy market, potentially

providing jobs for thousands of Americans. And finally, all states have a vested interest in strengthening the international nonproliferation regime. We gain in this respect, as do our international partners.

We want to move ahead on this initiative expeditiously. We believe this initiative will help bring India into the international nonproliferation mainstream, and open the door to a cleaner and more secure energy future. In the process, it also makes the United States an essential partner as India assumes its rising position in the community of nations. It will help India's economy gain access to the energy it requires to meet its goal of growing at 8% and beyond over the long term, while reducing competition in global energy markets. The environmental benefit of nuclear power in India would be significant and help to curb global warming. Coal accounts for 51% of India's energy consumption. Nuclear energy offers a clean alternative, because it does not emit carbon dioxide or other greenhouse gases.

Mr. Chairman, the President and Secretary of State consider this initiative as one of the Administration's top foreign and legislative priorities for this year. I would like to take this opportunity to outline how we would like to proceed, with the consent and advice of the Congress, to achieve success. First, I will begin meeting with the Indian foreign political advisor next week on the margins of the UN General Assembly. I plan to follow up with him regularly through the course of this process to ensure that our governments are in lock-step as we move forward.

India will assume the same responsibilities and practices as other countries with advanced nuclear programs. We expect India to take clear steps in the coming months to fulfill its part of the agreement. India has agreed to:

- Identify and separate civilian and military nuclear facilities and programs and file a declaration with the International Atomic Energy Agency (IAEA) regarding its civilian facilities;
- Place voluntarily its civilian nuclear facilities under IAEA safeguards;
- Sign and adhere to an Additional Protocol with respect to civilian nuclear facilities;
- Continue its unilateral moratorium on nuclear testing;
- Work with the U.S. for the conclusion of a multilateral Fissile Material Cut Off Treaty (FMCT) to halt production of fissile material for nuclear weapons;
- Refrain from the transfer of enrichment and reprocessing technologies to states that do not have them and support efforts to limit their spread; and
- Secure nuclear and missile materials and technologies through comprehensive export control legislation and adherence to the Missile Technology Control Regime (MTCR) and Nuclear Suppliers Group (NSG).

The United States has reciprocally promised that the Administration will:

- Seek agreement from Congress to adjust U.S. laws and policies;
- Work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India; and

- Consult with partners on India's participation in the fusion energy ITER consortium and the Generation IV International Forum, the work of which relates to advanced nuclear energy systems.

We believe that the Government of India understands this completely and we expect them to begin taking concrete steps in the weeks ahead, and plan to reach agreement with India on a joint implementation schedule. The Administration has identified a number of options for modifying and/or waiving provisions of existing law to allow for full civil nuclear cooperation with India, and we look forward to working with the Congress as we review these options and consider the best way forward.

In conclusion, Mr. Chairman, let me say that this is a good deal for the United States. It meets our national security interests because it aligns a 21st century power with the U.S. in democracy promotion, nonproliferation efforts, and global energy security. For many years we have talked about the potential of U.S.-India relations. The Prime Minister's visit showed that both countries are turning that potential into reality. The United States recognizes India as an emerging world power in the 21st century, with an important role of promoting global stability, democracy and prosperity. We welcome India as a full partner in the international community. Our dialogue with India aims to do just that. We look forward to working closely with the Congress as we strengthen this vital relationship. We would be grateful for your support.

Thank you, Mr. Chairman, I will be happy to take questions.

####